

October 28th, 2013

Richard K. Sullivan
Secretary
Executive Office of Energy and Environmental Affairs
100 Cambridge St.
Boston, MA 02114

Dear Mr. Sullivan,

As a participating contractor in the Mass Save HES Program we would like to submit our comments regarding the Energy Policy Review Commission Report. We are well aware that there are two small business insulation contractors that were appointed to this commission this year. It is also public knowledge that those contractors are not in favor of the current HES program as it operates today. They have protested against our program for several years, making it a point to stand during open comments and express their disapproval about the program at every monthly EEAC meeting.

This would appear to be quite a conflict of interest. Two contractors, appointed to a council, that reports to our legislature about our Home Energy Services Program, who are offering their feedback, opinions and complaints, but who DO NOT participate in the program and have fought vigorously to have the program changed to operate in a manner that they see fit. There are many statements made by Mr. Regh and Mr. Calnan in the report that have no factual basis, they are merely stating their own opinion.

As a contractor that does participate in the current HES program and has been a weatherization contractor for 24 years in Massachusetts, we would like to share our view of the current HES program and we would like to address just a couple of statements that have been made by Mr. Regh and Mr. Calnan in this report:

Page 96- The best contractors in the state choose not to participate in the Mass Save Program

In response to this statement: We take complete offense to this as we are a top ranked, top tier contractor in the program and have been since its inception. We are part of a large group of well trained, experienced and knowledgeable contractors. The BEST of the BEST in our state participate in Mass Save.

Page 81- Low participation rates of contractors. Contractors are viewed by the PA's as expendable resources and not valued partners.

In response to this statement: This is false. I am serving my third year on Best Practices Working Group working with the PA's and Lead Vendors and they absolutely value the contractors as partners. They seek our input and work with us to make continuous

improvements to the program on a regular basis. For the record, this program has over 100 contractors participating across the state. I would not view that as “low participation”.

Page 91- The pricing is completely arbitrary and was devised without reasonable input from contractors themselves.

In response to this statement: This is false. Prior to the new HES program inception, insulation contractors were asked for our input and we submitted pricing proposals for all measures.

Page 91- The fixed pricing strategy promotes the lowest common denominator (low performance, low quality, low customer service and low contractor motivation)

In response to this statement: This is false. The fact of the matter is that we work under this fixed pricing strategy every day and strive for excellence, offer an exceptional level of customer service and always provide a high level of work quality, as do the majority of the contractors participating. We are profitable under a fixed pricing model and our business is thriving in the program.

Mr. Regh commented in his last report that he felt that only 10% of the jobs completed through the program should be inspected and that contractors underperforming should be eliminated for poor work quality.

In response to this statement: If only 10% of completed jobs were inspected, how would we know what contractors should be eliminated for poor work quality? We welcome 100% inspections on the jobs we complete for Mass Save. Quality control ensures contractors are not cutting corners, skimping on materials and completing the jobs correctly. The rate payers who fund this program deserve the highest level of work quality and thorough inspections are in place to ensure this happens.

Any contractor that argues about quality control should be scrutinized carefully.

Page 69 & 72- The program services are highly subsidized, making them appear less as incentives and more as handouts.

In response to this statement: We complete weatherization jobs for Massachusetts rate payers every day. We know that our customers feel the 75% instant rebate is absolutely an incentive to move forward and weatherize. We have never had a customer tell us they felt it was a handout. In fact, they are so pleased, they spread the word about Mass Save to their family, friends, and neighbors so they too can take advantage of the program. This massive rebate IS the reason the program has been so successful.

This program gives the same opportunity to small, medium or larger size companies and offers exceptional weatherization marketing tools and advertising that we otherwise would have to subsidize ourselves.

This program is monitored by the Lead Vendors to ensure quality work and exceptional customer service. Everyone is held accountable.

I could continue on highlighting a plethora of benefits regarding the HES program. In all honesty, we received the commission's report on Friday, Oct 25th in the afternoon allowing us one business day to respond with public comments. We are currently in the midst of our busy season. This report is over 100 pages long, hardly enough time to thoroughly read through it and comment appropriately on all aspects of the written report.

Improvements are being made to the program every day. We feel fortunate and grateful to have this program and we wish to see it continue on the way it was intended.

Sincerely,

Patrick & Christine McEachern

McEachern Insulation Inc.

